



HUB International Southeast, Limited Proposal of Insurance

BERKELEY COUNTY SCHOOL DISTRICT MONCK'S CORNER, SOUTH CAROLINA



Prepared By:

Stanley J. Pokorney, Senior Vice President
Jana L. Pokorney, Account Executive
Renee' P. Jones, Technical Account Manager

HUB International Southeast, Limited
1001 Morehead Square Drive, Suite 400, Charlotte, NC 28203
1-800-849-8008

Policy Term: June 2014/2015

DISCLAIMER: The terms, conditions and exclusions contained in this proposal are offered to aid your understanding of the proposed insurance program. Only a complete review of the entire insurance program, including the specific policies, would provide an exhaustive analysis of your insurance program. Specimen copies of each policy proposed are available for review prior to binding of coverage. In all cases, the policy wording will govern in the event of a loss or claims incident. Please read the policies.



Privacy Policy

HUB International Limited and its family of companies identified at the end of this Privacy Policy appreciate your business and are committed to protecting the privacy of your personal information. **We do not sell your personal information to anyone.** The very nature of our business, however, sometimes requires that we collect or share certain personal information about you with others, such as insurance carriers and financial institutions. Accordingly, we are delivering this Privacy Policy to inform you about the information that we may collect and disclose about you and the practices that we use in handling this information.

Information We May Collect

In order to service your accounts and better understand your needs, we may collect non-public personally identifiable information about you from the following sources:

- ☐ Applications or other completed forms that we receive from you (such as your name, address and social security number)
- ☐ Your transactions with us, our affiliates or other third parties (such as your payment history and claims information)
- ☐ Our web sites or the Internet, including information obtained through the use of Internet "cookies"
- ☐ Consumer reporting agencies and state and federal government agencies, such as state motor vehicle departments
- ☐ Other sources, such as your employer, information clearinghouses, medical or health care providers and/or third parties

The above is "Personal Information": for the purposes of this Privacy Notice. We may disclose Personal Information to affiliates and non-affiliated third parties as described in the following sections below.

Information We May Disclose

We may disclose your Personal Information to affiliated and non-affiliated third parties as necessary to process or service requested or authorized transactions, such as to secure quotations for insurance, obtain insurance coverage, or to report or process claims. We may also disclose Personal Information to other companies that perform services on our behalf and to other institutions, such as insurance companies, with whom we have joint marketing arrangements. We do not disclose Personal Information to non-affiliated third parties except to the extent permitted by law. We do not disclose "Non-transactional Personal Information" that does not arise directly from our transactions or experiences with you, as described under the Fair Credit Reporting Act, such as information we receive from consumer reporting agencies.

Personal Information about Health or Medical Conditions

We do not disclose or share Personal Information about your health, medical conditions or treatment except as necessary to process or service your requested or authorized transaction or as otherwise permitted or required by law.

Former Customers & Additional Insureds

This Privacy Statement describes our privacy practices for both current and former customers. If there is more than one person insured under a policy, this Privacy Policy will be sent only to the named insured on that policy, but applies to all insureds. Any policyholder may request a copy of this Privacy Policy. If we provide more than one product or service to you, you may receive more than one copy of this Privacy Policy. We apologize for any inconvenience this may cause you.

Security

With respect to Personal Information that we maintain, we restrict access to such information to those employees or service providers who need to know such information in order to provide the requested services or products. We also maintain reasonable physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Online Customers

You may find additional information about our practices with respect to the online collection of personally identifiable information at www.hubinternational.com.



We appreciate your trust, and thank you for your business. You are a valued customer. If you have any questions about this Privacy Notice or would like more information, please contact us by writing to:

Ivy S. Fischer, General Counsel
HUB International Group Northeast Inc.
1065 Avenue of the Americas
New York, NY 10018,
212/338-2000

This notice is provided by the following companies in the HUB International Limited family of companies:

HUB International Florida, Inc.
HUB International Midwest Limited
HUB International Mountain States Limited
HUB International New England, LLC
HUB International Group Northeast Inc.
HUB International of California Insurance Services, Inc.
HUB International Scheer's Limited
HUB International Transportation Insurance Services, Inc.
Brewer & Lord Insurance Advisers, LLC
Flynn Insurance Agency
Impact Select Group, Inc.
JRN Benefits, Inc.
Rigg Life Agency, Inc.
The Feitelberg Company of Rhode Island, LLC
The Rigg Group, Inc.
Wm. Rigg Co.
Wm. Rigg Agency, Inc.

Note: Loss Control is available upon request.



HOW WE GET PAID

HUB International takes pride in the services our brokerages provide to you, our client, for insurance and risk management programs. For our efforts we are compensated in a variety of ways, primarily in the form of commissions and contingency amounts paid by insurance companies and, in some cases, fees paid by clients or third parties. The means by which we are compensated are described below.

Commission income - Commission, normally calculated as a percentage of the premium paid to the insurer for the specific policy, is paid to us by the insurer to distribute and service your insurance policy. Our commission is included in the premium paid by you. The individuals at HUB International who place and service your insurance may be paid compensation that varies directly with the commissions we receive.

Contingency income - We also receive income through contingency arrangements with most insurers. They are called "contingent" because to qualify for payment we normally need to meet certain criteria, usually measured on an annual basis. Contingency arrangements vary, but payment under these agreements is normally the result of growing the business by attracting new customers, helping the insurance company gather and assess underwriting information and/or working to renew the policies of existing insureds. There is currently no meaningful method to determine the exact impact that any particular insurance policy has on contingency arrangements. However, brokers tend to receive higher contingency payments when they grow their business and retain clients through better service. In other words, the amount of earned contingency income depends on the overall size and/or profitability of all of a group of accounts, as opposed to the placement or profitability of any particular insurance policy. For this reason, the individuals involved in placing or servicing insurance are rarely, if ever, compensated directly for the contingent income that we receive.

Supplemental Commissions - Some insurance companies have recently replaced contingent commissions with supplemental commissions. These commissions, in fixed amounts, are established annually in advance based on historical performance measured by criteria comparable to those by which contingent commissions are calculated. We refer to these commissions as guaranteed supplemental commissions, or "GSCs".

Fees paid by clients - On occasion, with more complex business insurance programs and where additional resources, products or services are appropriate, a fee may be negotiated for placement of insurance coverage or additional services. Fees charged for the placement of insurance will be outlined in a proposal and approved, usually in writing, prior to the insurer binding coverage. On occasion, we may receive both commissions *and* client-paid fees for placing insurance, which generally will be disclosed in writing to you in advance. In certain circumstances clients pay us mutually agreed-upon fees for additional services, such as third party administration of employee benefits or workers' compensation programs.

Wholesale Operations - We own wholesale insurance brokerages in both the U.S and Canada. These are intermediaries through which other brokers, typically retail brokers that have a relationship and deal directly with their clients, place coverage. Our own retail brokers may place client policies through HUB-owned wholesale brokers. In such cases, both the HUB retail broker and the HUB wholesale broker will earn commissions, and they are included in the client's premium payment. Ordinarily wholesale brokers, whether owned by HUB International or not, are included in the transaction because they offer products that are particularly suitable to a client's needs that are not available through normal insurance brokerage retail channels.

Other Compensation and Benefits - We may receive revenue or further benefits from our insurance brokerage activities in other ways, including, but not limited to, from insurance company promotional events, payments from insurers for promotional marketing and/or employee training and development, fees or a percentage of the interest paid to us for the administration of premium finance contracts, interest paid to us by financial institutions earned on fiduciary or trust accounts in which we hold your premium payments pending remittance to the insurance company, and fees paid to us for policy and/or claims administration and/or loss control services that we provide.

Related Party Transactions - In limited circumstances, our subsidiaries or employees may have interests in insurers and reinsurers with whom policies are placed. We own a reinsurance broker that arranges reinsurance for carriers. It is possible that coverage placed by our retail brokers could be reinsured pursuant to placements made by our reinsurance subsidiary. Ownership of a reinsurance broker also creates an additional, mutually beneficial dimension to our relationships with insurance companies.

Customer Centric Carriers - We have access to the products and services of hundreds of insurers. However, we believe our ability to provide the best combination of products, service, value and ongoing access to capacity is enhanced by focusing on a manageable number of carrier relationships. These strategic relationships include many of the most respected national and regional insurance companies in the insurance industry (the "Strategic Carriers"). Although we will continue to access our other insurance company relationships where appropriate, we expect that many of our clients' insurance needs may be met through the Strategic Carriers. The Strategic Carriers may pay us enhanced compensation, which we intend to use in part to invest in initiatives to improve our ability to serve our customers' and to optimize their insurance buying experience. A portion of any enhanced compensation from our Strategic Carriers may be used to incentivize our employees to prioritize, investigate and access the products and services of our Strategic Carriers for the purpose of consolidating the number of insurance markets we deal with, while at the same time addressing the needs of our clients. More information regarding our Strategic Carrier relationships is available upon request from your HUB International insurance advisor or by visiting our website at www.HUBinternational.com.

Our goal is to be your insurance brokerage of choice. We know you have many brokerages to choose from, so to earn your confidence, we hold ourselves to the highest standard of service, a standard reflected in our written Client Commitment - we call it the "*The HUB Advantage*."

We hope you will review the principles embodied in *The HUB Advantage*, a copy of which is attached for your convenience. You should also feel free to visit our website at www.HUBinternational.com for more information regarding HUB International and how we do business.

Please also feel free to ask any questions about our compensation generally, or as to your specific insurance proposal or placement, by contacting your HUB broker or customer service representative directly, or by calling our client hotline at 1-866-857-4073.

We want you to choose a HUB International broker to be your insurance advisor – and we intend to make your decision an educated one.

Please also feel free to ask any questions about our compensation generally, or as to your specific insurance proposal or placement, by contacting your HUB broker or customer service representative directly or by calling our client hotline at 1-866-857-4073.

HUB International Southeast Limited KEY PERSONNEL

Stanley J. Pokorney, Senior Vice President

Responsible for overall account supervision.

Jana L. Pokorney, Account Executive

Your primary contact for daily service and assistance. Your Account Executive is charged with the development and maintenance of your account, as well as billing inquiries.

Renee' P. Jones, Technical Account Manager

Also, your contact for daily service and assistance. Your Account Manager is charged with multiple daily functions as well as Certificates of Insurance.

JohnSparre, II, Claims Manager

Your primary contact for all Property, Liability, and Automobile Claims. Your Claims Manager is charged with monitoring all claims activities relative to these lines of coverage.

Deidre Patterson, Claims Specialist

Your primary contact for all Workers Compensation Claims. Your Claims Specialist is charged with monitoring all claims activities relative to Workers Compensation coverage.

Please refer to your policy for instructions on reporting claims to the carrier. Contact our office if you have any questions.

Suzanne Boudreaux, Chief Financial Officer

Suzanne is responsible for accounts receivable and monthly billing statements for HUB Southeast.

HUB International Southeast

HUB International Southeast is committed to providing you with the best available insurance brokerage service.

- We will work with you to establish action plans and timetables.
- We will make deadline commitments and we will meet them.
- We will act as your trusted partner.
- We will look for creative, cost-effective methods for treating risk.
- We will communicate effectively through active listening.
- We will keep you informed of changes occurring in the insurance marketplace.
- We will act as your advisor and advocate.
- We will represent you in the marketplace in the most informed, effective, and professional manner possible.

Risk Management

The basic purpose of insurance is to insure catastrophic losses which would financially impair your future.

Insurance should not be purchased for small exposures since the cost is prohibitive and may use premium dollars you need to cover your major exposures.

There are three basic procedures for determining your insurance needs:

- **Eliminating or reducing your risk --**
Use of proper management of maintenance, repair, training and safety programs;
- **Assuming the risk yourself --**
Paying small losses yourself and buying high deductibles;
- **Transferring the risk --**
Buying the proper amounts of insurance tailored to your specific needs.

HUB International Southeast retains loss prevention specialists that can assist in assessing your current risk management needs. Services can include recommendations, as well as implementation of safety solutions depending on the scope of work required.

Please contact Chief Sales Officer David Berno for more information on these services at 843-529-5472.

EXCESS LIABILITY PROPOSAL

COVERAGE

LIMIT

PER

Carrier: States Self-Insurers Risk Retention Group

Policy Term: 6-29-14/15

Limit of Liability	\$10,000,000 Each Occurrence/Aggregate
Self-Insured Retention	\$1,000,000 Each Occurrence (Primary Limit)
DEFENSE COSTS OUTSIDE LIMITS	\$10,000,000 Each Occurrence/Aggregate
Self-Insured Retention	\$1,000,000 Each Occurrence (Primary Limit)

Renewal Premium: \$ 82,175 (excluding Terrorism – need signed form attached)

\$84,640 – including Terrorism; Expiring Premium: \$85,930

Special Conditions/Endorsements:

See Form (does not include yellow school buses)

<i>CRIME/EXCESS CRIME PROPOSAL</i>

Insurer: Liberty Mutual Insurance Company

Policy Term: June 29, 2014/2015

COVERAGE	LIMIT	DED.
<u>COMMERCIAL CRIME COVERAGE</u>		
• Employee Dishonesty		\$100,000
• Forgery or Alteration		\$100,000
• Inside Premises		\$100,000
• Outside Premises		\$100,000
• Computer Fraud		\$100,000
• Deductible		\$ 2,500
• Excess Limit of Liability		\$ 400,000 *
* On Key Individuals: Rodney Thompson, James Thomas, Brantley Thomas, Kellie Meyer, Archie Franchini, Andra Ladson, Tammy Ware, Linda Fairchild, Jacque Carlen.		
Renewal Premium: \$3,951		

CYBER LIABILITY PROPOSAL

Carrier: Illinois National Insurance Company (part of AIG/Chartis)

Term: July 1, 2014 - 2015

LIMIT OF LIABILITY:		\$1,000,000			
COVERAGE SUMMARY					
COVERAGE SECTION		SUBLIMIT OF LIABILITY	RETENTION	RETROACTIVE DATE	CONTINUITY DATE
S&P	Security and Privacy Liability Insurance	\$1,000,000	\$25,000	7/1/2013	7/1/2013
	Regulatory Action Sublimit of Liability	\$500,000			
EM	Event Management Insurance	\$500,000	\$25,000	Not Applicable	7/1/2013
CE	Cyber Extortion Insurance	\$1,000,000	\$25,000	Not Applicable	7/1/2013
Premium:		\$16,137			

Includes Media Coverage - Per Expiring

Cyber Liability safeguard's against sensitive data breaches, computer hacking, computer viruses and lost or stolen identify. Coverage provided as following:

- ◆ Pays cost of Notifications according to State Regulations
- ◆ Public Relations
- ◆ Forensic Investigations
- ◆ Legal Consultations
- ◆ 2 Year Credit Monitoring for victims

Coverage Enhancement: Crisis Fund Coverage - Provides \$50,000 additional coverage for Public Relations in addition to the amount included within the Cyber policy itself. Additional premium to add this enhancement is approximately \$800.

Coverage Option: \$2,000,000 Limit of Liability: \$26,815

2013 Budget: \$205,618,942

2014 Budget: \$215,367,440

<p style="text-align: center;"><i>SCHOOL BOARD ERRORS & OMISSIONS LIABILITY PROPOSAL</i></p>

<u>COVERAGES</u>	<u>LIMIT</u>
Aggregate Limit of Liability	6-Year Extended Reporting Term For Policy #165-47-84

Carrier: National Union Fire Insurance Company of Pittsburgh

Policy Term: 6-29-11/17

Special Conditions/Endorsements: All Per Expiring Policy & Endorsements

Premium: \$75,000 (term premium)